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Mr. Mark Boese
Deputy Air Pollution Control Officer
San Joaquin Valley Unified
Air Pollution Control District
1999 Tuolumne Street, Suite 200
Fresno, CA 93721

Re: Title V permits for Modern Welding (970319) and J.G. Boswell (960766)

Dear Mr. Boese:

In letters dated January 30 and February 18, 1998, EPA formally objected to the Title V permits the District proposed to issue for Modern Welding, J.G. Boswell, and Chevron Pipeline. The District revised these permits and sent EPA new versions, which we received on May 4, 1998. We have completed our review of the permits for Modern Welding and J.G. Boswell. The permit for Chevron Pipeline is still being evaluated, and we will be in touch with you shortly about it.

Modern Welding

In our objection letter, we stated that the New Source Review requirements for the shotblast operation are applicable requirements. These requirements were not added to the revised permit submitted to EPA on May 4.

The permits issued by the Fresno County Air Pollution Control District include Authorities to Construct 5230040101 through 5230040103, which require a baghouse and an eight hour per day operating limit, but no emission limits, and the original Permit to Operate, which contained LAER emissions limits. Based on these Fresno County permits, it appears that Fresno County intended the ATCs and the original PTO to comprise a single permitting action that would incorporate LAER to comply with SIP requirements for this source. This conclusion is supported by additional documentation in the permitting file for this source, including the engineering evaluations for the permits.

It is our understanding that although your staff previously asserted that 17 CCR 41905 may have exempted this source from New Source Review, the District no longer believes this to be the case, a conclusion with which we agree. Therefore, this facility, a major source of particulate matter in a nonattainment area, was subject to New Source Review and LAER requirements when it was constructed, and LAER is an applicable requirement for this source under Title V. Clearly, the Fresno County ATCs, which do not contain emission limits, do not impose LAER. Thus, it appears that either the original PTO, which did include LAER emission limits, must be considered part of this permitting action, or the source is in violation of New Source Review requirements for failure to have LAER limits.

We see two approaches to this address this problem. One solution would be that the District and EPA agree to view the ATCs and the original PTO containing LAER emission limits as part of a single permitting action that will comply with the SIP. Under this approach, the District-issued Title V permit would include the conditions from the original PTO as well as the ATCs. A second approach would be to view this situation as a compliance issue. Under this approach, the District, or EPA under its Part 71 authority, would include a compliance schedule in the Title V permit requiring the source to submit an application for a modification to its New Source Review permit to require LAER. This approach could also involve an enforcement action against the source for noncompliance with LAER requirements for several years.

We'd like to resolve this issue in the near future. When the District has determined its preferred approach, please notify us of your decision.

J.G. Boswell

Our objection to the permit for this facility concerned periodic monitoring for the removal process (Unit #3). Although the unit has not been source tested to determine whether it is in compliance with the applicable emission limit of 20.65 lbs PM/hr, the District's calculations estimate that emissions are close to this limit. The revised permit submitted by the District on May 4 requires testing only one of the 33 emission points every five years. While EPA remains concerned that this monitoring is not sufficient to assure compliance with the emission limit and that additional monitoring may be necessary, we will defer to the District's position on this issue at this time and agree to consider this permit as a final permit. We may determine that additional information, possibly a source test required pursuant to our authority under section 114 of the Act, is necessary to finally resolve our concerns.

Thank you for your attention to these matters. If you have any questions, or to discuss these issues further, please contact Matt Haber of my staff at (415) 744-1254.

Sincerely,

/s/

David P. Howekamp
Director, Air Division

cc: Ray Menebroker, CARB
Sayed Sandredin, SJVAUPCD
Richard Reis, Modern Welding Company
Dennis C. Tristao, J.G. Boswell Company